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THE ECONOMICS OF COAL

From the Coal Seam to the Consumer's Cellar.

With Special Reference to the . . .
Reports of the Coal Industry Commission.

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FOREWORD.

Mr. John Thomas has contributed in this little pamphlet a most useful addition to the growing volume of literature dealing with Coal Mines and Coal Miners.

He sets forth in a simple, direct way most of the economic and human factors which are employed in the production and distribution of the commodity coal.

His analysis reveals the factors, both essential and non-essential *at present* which have their being in the industry.

Broadly speaking, the essential factors are those described as the Raw Material Coal, and the labour of considerably over a million workpeople, both manual and mental, who contribute to the removal of the coal from its position in the earth to the consumer.

There is no other general classification, than the foregoing possible, when describing the essential factors. Such factors as capital, both fixed and variable, are provided in the last analysis by the factor of labour, both manual and mental.

The non-essential factors are those represented by those people who do nothing but provide money capital for the carrying on of the industry, and who for such provision receive dividends upon the money so provided out of the difference between the price labour obtains, as wages and salary, the cost of the raw materials described generally as stores, timber, etc., and the price obtained for the coal upon the markets of the world.

It is claimed that to describe the providers of capital as non-essential factors is to mistake the facts. But when it is seen, as it can plainly be seen in the pages of this pamphlet, that the provision of capital need not be bound up with the personality of any particular individual, their strictly non-essential character is at once made plain.

A little more quiet thought on the part of the productive class, a little more organisation on the part of the community generally *will* result in the elimination of these non-essential, though burdensome factors.

When the producers have sufficient confidence in their ability to run the mining industry in the interests of the community instead of, as now, it being run for the obvious purpose of providing dividend for holders of money capital, the non-essential factors will disappear. This little pamphlet will certainly help in the accomplishment of such a task.

FRANK HODGES.

May 19, 1919.

INTRODUCTION.

THE general opposition to the miners' demands, especially when they showed signs of being ready to strike to have these demands conceded, calls for an answer. The capitalist Press has been particularly busy, with its leading and special articles by expert and orthodox economists, attempting to destroy and ridicule what they termed the "utterly monstrous claims of the miners." As one who had lived and is now working amongst miners, the writer tried to tackle some of these Press prophets through their correspondence columns. The editors so mutilated, condensed and often ignored these protests that the writer had no alternative but to take up the cudgels on behalf of the miners' case on the platform. These pages are an attempt to convey the substance of these public lectures in pamphlet form, so as to reach a wider audience.

The first two sections of the pamphlet have been devoted to an economic analysis of the processes of coal production, transport and marketing, with the payments involved in each case to the parasite, as well as the producing class.

The last portion of the pamphlet is a survey of the findings of the Coal Commission in the light of the above sympathetic or class-conscious analysis of the coal industry.

The separate interim reports issued by the three sections of the Royal Coal Commission are popularly referred to in the pamphlets as

(a) Sankey's Report, (b) the Owners' Report, (c) the Miners' Report. Unfortunately the evidence given before the Commission has not yet been published in book form, so one has to rely on Press cuttings.

JOHN THOMAS,
Checkweigher,
New Diamond Colliery,
Ystradgynlais.

May, 1919.

THE ECONOMICS OF COAL.

The Economic Stages from Coal Production to its Consumption.

In these days of scientific enlightenment it is unnecessary to state that coal is not picked up easily, like the manna of yore, which was mysteriously dropped from heaven.

Coal is obtained from the bowels of the earth by the hard labour and toil of the miners or coal hewers, assisted by a host of other wage earners. To anyone acquainted with the actual facts of mining life it is no exaggeration to apply the term, "slaves of the lamp," to the miners, of whom James Welsh sings :

" Down in the deep, sunless murk,
Guiltless of laughter and mirth,
Playing an epic of work;
Here in the guts of the earth,
That which was forest of trees—
Flowers of the ages long gone,
Come we to hive—human bees—
Honey of gold for the drone."

Geology, with its entrancing tale of the changes that have taken place in the crust of the earth, to reveal the processes of converting the primeval forests into petrified seams of coal, must be studied to give the why and the wherefore of the strange burrowings of human moles after the "black diamond."

The geologic period of coal formation was disturbed when coal was first "worked." This brings us to the stage where coal first enters into Economics.

The present generation are so accustomed to seeing mines or collieries in full working order that they are tempted to think of them as having been always in existence on the scale they are now worked. Just as there has been a process of evolution from the once sun-kissed fallen monarchs of the forest to the buried seams of the virgin coal-field, so has there been an evolution from the first boring hole to the up-to-date coal-pit with its mass of machinery, power houses, fans and full quota of men.

All this fascinating preliminary process of proving the seams we will pass over and focus our attention on the perpendicular pit-shaft coal mine or slant with its sloping tunnel entrance, in full working order for coal raising.

The economic career of coal as a commodity starts from the minute it is disturbed from its long geologic sleep in the

coal-bed until it disappears in the form of smoke and ashes, after a useful career in the domestic fire grate as a source of warmth, or in the furnace of some industrial concern, where it is either used as fuel for power or to extract the thousand and one by-products science has discovered.

From Coal Seam to the Pit-surface, the Economic Processes and the Persons Concerned.

The first person to come into actual contact with the coal in the seam is the coal hewer or coal miner, who is assisted by a collier lad, aged between 14 and 21, except when there are two full-grown partners in charge of the stall. The coal hewer is engaged at the coal-face for a shift or turn of eight hours generally, with the silent, though straining light of his safety lamp reminding him and his "boy" of the sunlight they are deprived of daily. The all-too-feeble attacks from the brawny arms of the hewer with his pick and crowbar have to be supplemented by the use of gun-powder or dynamite before the coal is loosened from its geologic fastnesses. So we find in every coal hewer's possession an equipment of tools consisting of drills, engines, wedges, sledges, for which he, generally, has to pay out of his own pocket.

To avoid accidents, in most collieries to-day blasting and firing of charges is done by an official known as a shotsman, generally equipped with an electrical apparatus.

But before the coal hewer can proceed with his normal work at the coal-face there is another official whose rounds must be satisfactorily completed and reported as to ventilation, presence of gas, and general safety, viz.—the fireman. Hitherto, this person has been appointed by the colliery management, but of recent years there has grown up a feeling that all colliery firemen or examiners should be appointed by and be made responsible directly to the men, on whose safety the examiner's report, whether satisfactory or not, can have such serious results.

Once the coal has been loosened from its bed, before proceeding further, the coal hewer has to secure his place against a fall, by properly timbering and placing props to hold up the top. The actual amount of pit props used thus by the coal hewer and the host of repairers and timbermen is incredible. I once heard a pious, old-fashioned manager of a colliery remark, that, though he questioned the primeval forest theory of coal formation, he was convinced of the actual forests swallowed up, such was the demand for pit-props to make the coal-face workable. The denuded woodland valleys of the last four years bear testimony to this also.

Once the coal is loosened from the top and bottom strata of stone and clay in which it is sandwiched, the next process is to transfer it to the tub or tram, which the haulier and his faithful pit pony have brought on the narrow gauge rails to the stall from the main roadway. This tram is soon filled by the nimble collier-lad with the aid of his coal-box and shovel.

No sooner is the tram filled and properly marked with the hewer's stall number and tram number (in chalk on its sides) than the same haulier calls back with his pony to take it back to the main roadway ready for being assembled with other trams to form a journey. This journey of trams is ultimately taken to the pit surface by a hauling engine direct (if it is a slant) or to the pit bottom, where there is a winding engine to raise it further to the pit-head through the pit-shaft.

But we must enumerate here the persons indirectly employed underground who have facilitated the bringing of the coal thus far, from the seam to the surface. There were 'the blocklayers and roadmen,' who attended to the rails and sleepers so as to provide a safe track for the trams. There were doormen or bratticemen to assist in keeping circulated the fresh air, which had rushed in to take the place of the foul air which the fan-engineer's powerful fans had extracted. There were underground hostlers and stablemen to attend to the horses, kept, fed, and housed in the underground stables. There was the underground mason and assistant, responsible for stone arches and walling, and a vast army of labourers engaged in clearing falls and keeping the roads clear from breakages of coal from the trams in transit. Then to complete the list, we get a contingent of mechanics, enginemen, electricians, responsible for the working of underground machinery and equipment. Then, as the last connecting link between the coal at the pit-bottom and the pit-mouth, we have the acrobatic rider (in the case of a slant), who has charge of the journey in its perilous trip from darkness to daylight. In the case of the pit with the shaft, we have the hitcher, who sees the tub or tram transferred to the pit-cage, in its ascent through the shaft to the banksman at the pit-head. All the aforementioned persons are under the supervision of the manager and his under-manager and staff of deputies.

From the Pit-mouth to the Pit-screen and Washery.

The tram of coal leaves the banksman's hands, either by mechanical means or by means of a pit pony and the surface haulier, to be taken on the weigh bridge, where the company weigher and the miners' checkweigher record the weight of the coal in the tram, so as to form a basis on which

to pay the hewers, on output, at so much per ton. The tram of coal then passes on to the two tippers, who tip or tumble the contents of the tram into the screen, where the large is separated from the small coal. The latter is recorded on the spring balance dial called by the colliers "The Billy," reminiscent of the colliers' struggle with the owners to give a chance to "Billy Fair Play" to assess the amount of small coal for which in many cases the hewer does not receive a penny piece. This "Billy" is recorded by the weigher and the checkweigher in an atmosphere of choking coal dust that peoples the sunbeam.

On the screen, by means of an arrangement of travelling belts and a maze of machinery, the coal, large and small, is further graded, picked and selected by screen lads, who examine the coal in its slow passage on the belt. The sharp eye of the screen lads picks out any slag or stones that may have strayed amongst the coal. The lumps of coal are further graded into the following, according to size—large cobbles, nuts, peanuts, beans, peas, grains, rubbly culm, down to the fine small coal and dust called duff, left after extraction of the large cobbles, nuts, peas, etc.

Attached to most up-to-date collieries to-day there are washeries, where a process of cleansing or washing of the sizes from nuts downwards takes place, to rid the coal of all impurities. Each grade of coal thus washed and sized is dropped into its respective coal wagon or truck by means of shutes, in quantities of ten tons or thereabouts, in readiness for the next transport journey by rail, or by sea to its final destination for consumption by some customer.

The career of coal as far as strict production goes in economics ends in its resting in the railway wagon under the screen and washery.

To complete this survey of production let us note some persons indirectly concerned with the journey of coal from the pit-brow to the coal wagons under the screen.

Somewhere housed on the surface you will find the lamp-man in the lamproom busily engaged in trimming and cleaning the lamps ready to give the vital spark, by the light of which the colliers, etc., grovel about in the roadways and stalls underground. In the neighbourhood of the pit-mouth is the blacksmith's shop, so vital for the sharpening of the miners' tools and instruments, as well as to make good the thousand and one repairs to the rolling stock—broken tram axles, bent and punctured tubs, etc. Then somewhere on the pit-bank is the busy tram oiler and greaser, whose presence the inarticulate but thirsty wheels sing out for. In their respective engine-houses are the various enginemen for winding or haulage with their associates, the stokers and boiler-men, melting before the furnace fires. At the saw mill

we find the sawyer and pit carpenters busy preparing timber props of various sizes for use underground. Attendant on these latter are several day labourers used for unloading timber from railway waggons. Out on the pit rubbish tip, bravely facing wind and weather, we find an army of men with hauliers and horses busily hauling and unloading the rubbish or stone and slag which has been sent out from the stalls or coal face.

Entrusted with the general supervision of these surface workers as a deputy to the manager, is the pit-head gaffer or boss.

There are a group of persons still left for analysis on the pit-surface who are not strictly producing coal, but yet are a vital part of the colliery under the present system of coal mining, with its intricacies of payment by output and dead-work. I refer to the clerical staff, from the colliery secretary or head cashier down to the insignificant but all-important office lad. They all do their share of head and hand work to record the output of each collier and prepare the colliery paysheet with its intricacies of decimals and percentages, bonuses and war wages, with which the present-day collier is confronted when reading his pay paper on pay day.

To the lot of this clerical or administrative staff falls the task of weighing and recording the weights of all the waggons of coal that are awaiting their next economic stage of transport in readiness for distribution to coal consumers.

From the Coal-screen* to the Coal-cellar, or from the Mine to the Market.

No sooner has the manager of a colliery seen coal produced than he urges the coal on its next economic stage in search of a purchaser, for only by getting a price realised for the coal on the market can the manager make the colliery pay.

In other words, the exchange or selling of coal is as vital a process in the economics of a coal mine as its production. And a vital step in achieving the sale or marketing of coal is its transport, by rail, road, or sea.

If one were to enter fully into the detail of coal transport, which has become such a specialised industry (such a contrast to the simple horse-basket traffic or quiet coal-barge traffic on canals of a generation or two ago) one would have to touch upon another industry or two describing the railway system and the steamship and shipping industry. Suffice it to say, that after the coal has passed through the hands of the railwaymen, enginemmen, shunters, etc., it finds itself, if for home consumption, in the coalyards of middlemen, coal factors, coal merchants and coal retailers, ready to be

carted out by the ton or by the hundredweight in bags to the anxious coal consumer or customer at a price twice or three times the amount paid for it at the pit-head. If intended for export abroad, after passing through the railway people's hands it is passed to some port, where the coal tippers and coal trimmers, assisted by the most up-to-date machinery (e.g., powerful cranes like the Lewis Hunter) empty the ten ton wagons into the ship hold, to be later emptied out again at some other port or coaling station, by an army of labourers only too anxious to unload it for consumption in some foreign clime, at a price far exceeding even that now obtaining in the home market.

The Last Stage in the Economic Career of Coal. Its Consumption or Complete Using Up.

In its career so far, from the production of coal from its bed in the seam to its transit to be exchanged in the market, it has retained its natural form of coal, despite all its handling, grading and mangling about. But once it enters on its last economic stage of consumption there come into play disintegrating forces that alter its form and colour and even change its substance and it ends in smoke as well as being reduced to ashes. What a poor exit for Mighty King Coal! What has kept its glittering, sparkling ebony hue through the stages of production, transport and exchange gets ashen white or raging red as it emerges from the final economic stage of consumption. The recent scientific processes of coal decarbonisation with the production of numerous by-products, is destined to revolutionise our hitherto wanton and wasteful consumption of coal.

II.

The Pay Sheet of the Coal Industry.

Now let us come to the pertinent question, why the persons mentioned above are engaged in the coal mining industry at all. Surely not for fun, nor, more seriously, for their health, despite the argument used by one witness at the Royal Coal Commission that by swallowing the fine particles of coal dust, miners inhaled something that preserved their lungs. All the above-mentioned persons are engaged in or about a mine because they get a living out of it, whether that be a good or a meagre living.

If the above-mentioned persons, who are *directly* engaged in the production of coal, were the only ones obtaining a living from the coal industry there would never have arisen some of the demands of the miners which necessitated a Royal Commission. But our economic analysis shows a number

of people who obtain a living from the coal raised from the mine without having ever spent a day in or about a mine. They have never come into contact with the dirt and dust of a coal mine, nor have they had their sleep disturbed by a screeching syren or hooter at the peep of day, nor have they to put up with the inconveniences of a traffic or night shift. These privileged few, members of the propertied class, would be insulted, if one of their friends charged them with actually producing one tram load of coal during their lives. And why should they work in or about a colliery when society allows them a secure living in virtue of certain legal rights they possess in relationship to the coal industry?

The two groups form distinct and separate classes. The first *works* for a living, and the latter merely *waits* for a living. To put it in another way, the one class derives its income from its own personal labour, while the other class derives its income from property. Let us just analyse these a little more closely.

Payments Made to Those Who Work.

(1) The wages of the wage-earning workers or proletariat.

In describing in the earlier pages the various people who have to co-operate in the production of coal we are really describing certain differences of occupation where concrete labour was applied, *e.g.*, in the case of the hewer, haulier, etc. On pay-day, however, all these various occupational differences are ignored, and all the ordinary employees of the colliery who are paid per day on a time basis or on piece-rate, are considered as sellers of so much labour-power in the abstract, for so much wages.

(2) The salaries of the supervisory and administrative workers, the official or salariate.

These persons consider themselves superior to and above proletarian wage-earners because of their position as intermediaries between those who work for wages and those up above—the employers who own the coal mine. They are specially privileged employees of the firm, and the majority of them, not only are prohibited from joining any trade union organisation but they are inimical themselves to the suggestion of forming a trade union or a professional organisation. It is beneath their dignity to associate with their fellow salary-earners in a trade union, lest they should have to disclose the amount they draw as salary.

But with the recent development of industry, changes are taking place that make the distinction between the members of the proletariat and those in the lower strata of the salariate.

ate one in name only. For example, in many collieries the colliery clerks, including some even of high official standing, because of the stationary character of their salary (in contrast with the ever-increasing wages of the M.F.G.B. trade union members, through collective action), have finally decided to join the M.F.G.B. themselves as a body. Thus the lower strata of the salariate is engulfed by the ever-increasing proletariat. In other cases, where distinct attachment to M.F.G.B. is not sought, the salaried clerks form a branch of the N.U.C. (National Union of Clerks), which some consider more professional than the miners' trade union.

The one outstanding economic feature about both the proletariat and salariate is that they receive their respective payments for labour power that they sell to the coal owners. This is equally true of the colliery manager, the head cashier, the firemen, gaffers, hauliers, right down to the pit lad with the coal hewer.

No sound economist dares classify the proletarian wage-earners as the "hands" or manual workers needed for the colliery, while those in the salariate are the "mental" or "head" workers if the coal mine. It needs brain as well as brawn at the coal-face or even to grease trams. And even the manager and head cashier or colliery secretary is guilty of pushing a pen with his "hands," involving the use of brawn as well as brain. Then an other argument to discredit that theory is the fact that when any special brain work is needed in the official rank, either as managers, under-managers or examiners, they are always drawn or replenished from "brainy" proletarians. On the other hand, thanks to their devotion to the ideals of trade unionism in its efforts to emancipate the proletariat from the thralldom of the wage system, there are still in the ranks of the proletariat many active brains that can ignore and reject all offers from above to become officials or safe and secure salary-earners.

Perhaps one can sum it up by saying that the members of the proletariat and the salariate are found in different and often opposing camps because of the difference in status. The salariate are more "in" with the mine owning class than the proletariat. But even this does not excuse those who draw a salary from giving their personal services in or about a mine, just as all those who draw wages have to give their personal services in labour power.

Payments Made to Those Owners of Property Who Merely WAIT for Their REWARDS.

(1) To those who own the *land* where the colliery is situate.

The payments made to land owners fall under three heads.

(a) RENT.—The price fixed upon for the use of the surface or ground on which a colliery with its buildings and rubbish tips is situated. The rent is an annual sum, generally for a term of years.

(b) ROYALTY.—This is a payment which the land owner exacts for allowing the removal of the minerals from underneath the surface of the land. For practical purposes it is a kind of underground rent. It is generally calculated on a charge of so much per ton of coal raised, varying from 4d. to 2s. a ton, unless arrangements have been made for a lump sum royalty—called usually a dead rent.

(c) WAYLEAVES are payments extracted by the land owner for right of way. It is a tonnage charge on the conveyance of minerals over or under the surface of land which is not part of the working area of a mine. This wayleave often amounts to some fraction of a penny, if not the whole penny, per ton on all coal raised from a colliery.

(2) To those who own the *capital* invested in the coal mine.

Though this is the last section that receives payment it is by no means the least important. In fact, so important is this section that the whole system of coal mining in vogue to-day is termed the capitalist régime, for the sole reason that the reward which goes to the owners of capital (who have abstained from work in a mine and have merely waited for their profits), is the deciding factor as to whether a colliery is to continue working or not.

A colliery may be providing its wage-earners with what is termed a decent wage and its officials a good salary. It might also succeed in meeting its rent roll, royalty dues and wayleaves to the land owners, but if it does not secure a balance, after payment of all these, to give a sufficient return to the owners of capital, then that colliery is ultimately shut down. The only sense in which a colliery pays is that it provides profits on capital invested.

With the exception of a very few collieries now held in private hands as family concerns, most mining concerns are owned by joint stock companies with collectively subscribed capital. In those cases the payments or profits left over after payment to wage-earners, salaried officials and land owners is called "dividends" because the profits are allocated to the respective and individual shareholders holding "shares" or "stock" in the company. The payment is often referred to as so much "interest" paid per cent. on the shares or stocks held by the investors, who are collectively the coal owners. It is true that too often the chairman of the company (elected by the shareholders collec-

tively, if not automatically self-elected in virtue of the ownership of the biggest number of shares held by such a chairman or director) is referred to by the public and by the miners as the coal owner. But this is only because he is visibly so, while the ordinary shareholder is less active and lets the director or chairman act as spokesman on his behalf. The coal magnate or coal king is only a kind of super-shareholder who possesses so many shares in a colliery or collieries.

Any director's fees earned by the chairman of the colliery company for personal service rendered in the administration of the finance of the company, in the strict economic sense, is to be treated as salary. If no services are rendered (as is generally the case with the majority of those on mining directorates) then the director's fee is only another name for a further exaction from the coal industry in addition to the "interest" usually paid to the other less powerful and smaller shareholders of the coal company.

The above analysis applies so far, merely to those who (a) *work* for their living in production ; (b) *wait* for their living in production.

But the analysis holds good in the process of transport and in actual exchange or marketing of coal ready for distribution amongst consumers.

To make this clear let us briefly apply the above, first to transport of coal, and secondly to the marketing of coal.

Payments Made for the Transport of Coal.

(a) RAILWAYS.

- (1) Wages to those who work, e.g., shunters, etc.
- (2) Salaries to those who are on the official staff.
- (3) Rents and wayleaves to land owners who wait.
- (4) Profits to railway companies and interest paid out to persons and companies owning wagons.

(b) SHIPPING.

- (1) Wages to seamen who work and coal trimmers, etc.
- (2) Salaries to shipping officers who work.
- (3) Rents, wayleaves, port dues, harbour dues to land owners.
- (4) Profits to shipping magnates and their shareholders.

Payments Made for the Exchange or Marketing of Coal.

- (1) Wages to labourers, carters, etc., who work.
- (2) Salaries to clerks and other officials.
- (3) Rent to land owner of offices, yards, etc.
- (4) Profits to the middleman, coal factor, wholesaler, coal merchant or retailer over and above what is credited already for personal services under salaries.

In our analysis above the payments appear separated in production, transport and marketing of coal. But as a matter of fact in practice, because of the tendency of colliery companies to have their own coal wagons and to carry out their own marketing and distribution of coal, any profits accruing therefrom are added to the profits gained in coal production. This triple profit is often reaped by the inter-investment of capital by colliery proprietors in railway companies (*e.g.*, late Lord Rhondda was a railway director) and by investment of capital by coal owners in coal selling agencies.

The point we want to emphasise here is, that those who wait for their reward either from land or capital can have payments from (a) production, (b) transport, and (c) marketing of coal, thus securing a triple payment and swelling the amount of their unearned income.

The statistics in the last section may convey to the reader the respective amounts paid to those who work and those who wait.

One wonders, with all these payments to be made out of the coal industry, where the money will come from. There is only one source. *These payments must all be covered by the price of the commodity, coal,—charged to the poor helpless consumer.* Does the coal consumer realise now how the difference between the 2s. (or thereabouts) paid per ton to the coal hewer who first cut the coal and the £2 (or thereabouts) paid to the retailer delivering the coal at the cellar coal hole? In the social process of being transferred from the coal seam to the coal-cellar a group of producers must get their living in return for working, and also groups of social parasites must have a living in return for waiting for Rent, Royalties, Wayleaves and Profits.

We have so far analysed the coal industry from the angle of production more particularly. Let us just review the coal industry from the last economic process we touched on, namely, from the exchange point of view. This shall complete our treatment of the pay sheet of the coal field.

The Whole of the Coal Industry Viewed as a Process of Buying and Selling.

First, in the process of production from the coal seam to the coal-screen at the pit-head, what really happens is that the colliery company or proprietors have purchased from the wage-earners and salaried staff their labour-power, embodied in the coal, shot from the screen into the railway wagon ready for transport.

Secondly, in the process of marketing or the disposal of coal to customers what happens is as follows: The colliery proprietors (unless they have their own selling agency) become not buyers or purchasers as in production, but sellers, anxious to sell the commodity—coal—to middlemen, coal factors, wholesale or retail merchants. These coal marketers have no sooner bought or purchased the coal supplies or contracts than they now become sellers and sell the coal to customers.

And it is with the customer that the process of buying and selling ceases because he buys it finally for use. This distinguishes the coal consumer from all the other buyers from the first tale of the coal in the seam to its consumption in the grate (say). The coal owner buys coal so as to sell it at a profit. The middleman buys it from the coal owner to sell it at a profit. The merchant, whether wholesale or retail, buys it from the middleman to sell it at a profit to the coal consumer.

This process may be tabulated as follows :

	SELLERS		BUYERS	
	PERSONS	WHAT IS SOLD	PERSONS	WHAT IS BOUGHT
A. In Production	Wage-earners and Salaried Staff	Labour Power embodied in Coal	Coal Owners or Employers	Coal at Pit Head
B. In Exchange	Coal Owners	Marketable, Screened, and Washed Coal	Middlemen, Coal Factors, Merchants, Retailers	Coal ready for the Consumer
C. In Distribution	Middlemen, Merchants, Retailers	Coal ready for use	Coal Consumer or Customer	Coal at a price per ton for immediate use

Now, a few words regarding columns *A*, *B* and *C* of the above, to bring out the ultimate effect of this duality in the coal industry. This splitting up of the elements in *A*, *B* and *C* into two hostile and opposing camps explains the formation of the huge trade union organisation, the M.F.G.B. The latter protects the interests of the seller of labour-power, who, individually, is at such a disadvantage in making a bargain with the employer, who is only too anxious to buy labour-power, as it is the only means whereby his capital can fructify. And as a reply to the successful organisation of the Labour market by the M.F.G.B. we get that powerful league of coal owners in the Mining Association of Great Britain. This very cleavage is made manifest in the two

most violently opposing Miners' and the Owners' reports presented by the Royal Coal Commissioners, of which Judge Sankey's report, as chairman, is an attempt at conciliatory compromise! So much for the clash of interests in *A*.

There has been a clash of interests in *B*, but it is mainly solved now by the coal owners or employers becoming middlemen themselves and thus reaping the middleman's profits and coming into direct contact with retailers and customers.

The unfortunate middleman in *B* is also open to attack, not only from *A* above, but from *C*, the coal customer, below. Through forming themselves into co-operative societies for the purchase of coal direct from the coal owners in *A*, the coal consumers have aimed a deadly blow at the coal-selling-middleman dealer.

But this economic warfare does not cease here with the elimination of the middleman in *B*, but the struggle proceeds with great vigour, and now with concentrated effort from *C*—the coal consumers (as in co-operative societies) and *A*—the sellers of labour collectively.

These tendencies can be represented by the two following tables :

Elimination of the Middlemen by the Coalowners Themselves.

	SELLERS		BUYERS	
	PERSONS	WHAT IS SOLD	PERSONS	WHAT IS BOUGHT
A. In Production	Wage-earners Salaried Staff	Labour Power	Coal Owners	Coal
B. and C. In Exchange and Distribution	Coal Owners as Merchants and Retailers	Coal Ready for use	Coal Consumer or Customer	Coal for immediate use

The Further Elimination of the Private Coalowner by the Demand for the Nationalisation of the Coal Industry.

This is not only a demand made by the miners and made articulate from the workers in other industries (who make up the bulk of coal consumers), but it is actually foreshadowed in Sankey's Report where the words "that the present ownership and working in the coal industry stands condemned and some other system must be substituted for it," appear.

This change contemplated could be represented as follows :

PRODUCERS.	NATION	CONSUMERS
Wage-earners and salaried persons labour power embodied in coal to the	as owners of the coal industry prepared to sell coal to the	who buy coal from national depôts for immediate use.

Having thus far entered into a descriptive account of the economics of the coalfield, let us complete the third section of the pamphlet by a study of some of the evidence presented before the Coal Industry Commission, 1919.

III.

Some Evidence Bearing on the Miners' Demands. Extracts from the Coal Commission Enquiry.

This section does not propose to be an exhaustive analysis of the findings of the Coal Commission. Here an effort will be made to cull from the evidence presented to the Coal Commission (before it issued the Interim Report) facts to throw light on the justice of the miners' case as briefly summed up in their demand.

- (a) For an increase of 30 per cent. in wages.
- (b) A reduction in hours from 8 to 6 hours per day.
- (c) The nationalisation of the coal industry.

A.—Evidence in Support of the Demand for an Advance of 30 per cent. on Present Wages.

- (a) Evidence bearing on the workers' (i) wages (ii) general standard of life.

(i) WAGES.

The Miners' Report states "That the average wage, measured in commodities, is actually lower to-day than it was in 1914." If 100 is taken to represent the average wage earned in 1914 as well as the average cost of living the following table shows how the rise in the miners' wages has not kept up with the advancing cost of living :

	1914	1919
Average prices	100	220
„ wages	100	206

Wages below cost of living, 14 per cent.

(ii) STANDARD OF LIFE.

If the present wages fall below the pre-war standard when estimated in real wages (goods), then it is certain that other commodities used by the miner (as a very important item in his standard of life) fall far below present-day standards of common decency and comfort. We refer here to the abominable housing conditions prevailing, in many, if not most colliery districts. They are all pre-war legacies which, when revealed by Mr. John Robertson, of the Scottish Union of Mine Workers', drew from one of the Commissioners

(Mr. Arthur Balfour, the steel magnate) the remark: "If the conditions are as you say, they must be remedied."

Below are a few of the appalling facts:

In Durham 4 out of 10 persons live under conditions of overcrowding. In Hamilton, Lanarkshire, out of a population of 38,000, 27,000 live in one or two-roomed houses.

In some houses a family of 9 live in one room.

Such an impression did the evidence on housing leave on the Commissioners that Judge Sankey, in Paragraph XXII. of his report, writes:

It is a matter for careful consideration whether a penny per ton should not be at once collected on coal raised, and applied to improve the housing and amenities of each particular colliery district.

(b) Evidence in regard to payments made to owners and others, from whom the increase of 30 per cent. could be levied without increasing the price of coal to the consumer.

(i) Statistics of Royalties and Wayleaves Paid to Landlords.

Year.	Amt. approx. in millions.
1914	£6
1915	£10
1916	£6
1917	£6

Is it any wonder that Mr. Robert Smillie said: "Would it not be better to relieve industry of these royalties and treat the miners fairly?" Even Mr. Talbot, the steel magnate, could not but agree that it would be more humane.

(ii) Statistics of Profits Paid to Coalowners and Shareholders.

Year.	Profits in million £.	Profits per ton. s. d.
1913 (pre-war five-years' average)	13	1 0
1914	15½	1 1½
1915	21½	1 6
1916	39	2 11
1917	28	2 2½
1918	39	3 6½

If we take the profits in pre-war years as a standard represented by 100, then the profits in the last year of war, 1918, is represented by 300, i.e., three times pre-war profits.

Dr. Stamp, of the Board of Inland Revenue, estimates that the average profits of the mining industry is between 9 and 10 per cent. Let us supplement this with the evidence of Mr. Emil Davies with his startling tale of watered stock and hidden profits.

The figures we give below refer to the Powell Dyffryn steam coal, which is only one out of many that could be supplied :

	£
Ordinary share capital in 1913	541,407
Six per cent. preference shares in 1913	115,795
Net profits for 15 years ending 1918	5,261,000
Bonus shares (or extent stocks are watered)	1,100,000
£100 invested in 1903 has received in dividends till 1918	380
£100 invested in 1903 is now valued in the market at	550

To anticipate the objection that the above example does not take into account the mines that have never paid anything to their shareholders for years, and to meet it, we shall quote the conversation between Mr. Tawney and Mr. R. Warham, general manager of the Ashington Coal Company :

Mr. T. : Are not some mines much more difficult to work than others?

Mr. W. : Yes.

Mr. T. : If the less fortunate pits go on they must get a price which covers their cost?

Mr. W. : Yes, either that or they go down.

Mr. T. : Therefore the more fortunate pits (*e.g.*, P.D. above) are getting prices which are a good deal more than covering cost!

Mr. W. : Yes.

Before proceeding to the evidence concerning middlemen's profits on the buying and selling of coal let us note some striking comparative statistics of the payments made to workers in contrast with the payments made to those who wait for profits.

Return by A. L. Dickinson, Financial Adviser to the Coal Controller for the quarter ended September, 1918:

Payments for Labour.

Number of workers employed at the collieries	929,524
Total wages earned	£30,620,000
Average earnings per quarter per worker	£32 14 0

Payments for Capital.

Number of shareholders	37,316
Net profits	£7,352,000
Average profit per quarter per shareholder	£197 15 0

Note, every shareholder gets on an average over six times the amount paid to a person actually working at the colliery.

There are no figures yet available of the number of landlords living on royalties and wayleaves or another very interesting comparison could be made.

Diagram showing quarterly average payments
made to

(a) Capital, (b) Labour.

(a)
£200
for
Shareholders'
Capital.
£40 for (b)

Another version of the above is the following :

In one Quarter one worker receives one bag of £40 for the labour.		In one Quarter one Share- holder receives profits of £40 in 5 bags for capital invested.						
	£40		£40	£40	£40	£40	£40	£40

From the foregoing, we can also see the justification for Mr. Smillie's parting reply to Mr. J. A. Hobson, the steel magnate: "We say more, that the landlord and the capitalist classes will have to do with less in the future and the workers will have to get more."

Middlemen's Profits.

In the appendix of Judge Sankey's Report we get the following information :

	s.	d.
The pithead price of coal screened per ton is	23	5
By the time it reaches the consumer's cellar from Derby to London it is per ton	44	0
Of this, there is paid to coal factors, wholesale and retail merchants (exclusive of labour, cartage and wastage)	6	8

Comparison of the Distribution of Coal by the Co-operative Movement and by the Coal Trade, through its series of Middlemen.

The Miners' Report contains the statement that the Co-operative Movement already distributes coal to consumers at a price less by 2s. to 5s. per ton than the prices charged by the Coal Trade.

The evidence of Mr. Burton, the Secretary of the Scottish C.W.S., and Mr. Allen, of the C.W.S. Manchester, showed that they could distribute coal at a commission of about 2d. per ton to consumers, as compared with the 1s. per ton allowed by the controller to other distributors. The latter society distributed annually about a million tons of coal.

To conclude this section dealing with middlemen's payments, we will quote the retort of Mr. A. E. Bowen, a coal exporter, in reply to a question from Mr. Smillie: "I do not

care what the cost of coal is so long as I can sell it *at a profit*. . . . I do not mind what you get so long as I can sell the coal. The miners can live in Buckingham Palace, so far as I am concerned, if they can give me coal at a price I can compete with."

Is there any wonder that the men's representatives on the Commission were unanimous in recommending that the 30 per cent. demanded should be conceded immediately, in view of the above evidence?

B.—Evidence in Support of the Demand for a Reduction of Hours from Eight to Six per Day.

The demand for a reduction of working hours for the miner is all the more urgent because of the already more-than-eight-hours-a-day shift which the 'present "legal" eight-hours' shift constitutes. As the Miners' Report shows, "the underground worker is really below ground between $8\frac{1}{2}$ and $10\frac{1}{2}$ hours per day," if we include the winding-time!

Advantages of a Six-hour Working Day as Compared with an Eight-hour Day, brought out in the following Comparison between Durham and S. Wales Coalfield:

Coalfield	Hours at coal face	Tons output per person	Cost per ton s. d.
Durham	6	58	17 6
South Wales	8	55	21 0

So we see that Durham, with a shorter working day of six hours, has a *higher* and a *cheaper* production of coal.

Mr. Dickenson, who gave the above data to the Commission, also supplied the following information. He said that Durham had the advantage, that where only two collieries were profitable to one working at a loss in the whole country, in Durham there were three profitable concerns to every one that was a losing concern (or unprofitable).

To all the pessimists who think a further reduction of hours from 8 to 6 would be fatal to the coal industry it would be well for them to note what Mr. Samuel Hare, of the Durham Coalowners' Association, said in reply to a question asked him as to whether he thought it would pay them to go back to a longer day in Durham? He said: "No, I do not."

But apart from this sordid question of £ s. d., the Miners' Report shows that a reduction of hours is an advantage from the more vital standpoint of the safety of the miners' life and limb. Less hours at the coal face means naturally less exposure to danger, and hence less accidents. No pen

can paint vividly enough to the mind what accidents a collier's life is exposed to. Mr. Hartshorn and Mr. Robertson in their evidence tried to convey this to the Commission and the public. The former said: "Four men were killed in the mining industry on the average every twenty-four hours." The latter used the following phrases to convey the dangers of a collier's life underground: "The miner was always on active service. He was always in the trenches. Mining was more deadly than war. Every year on an average 1,100 miners were killed. In the ten years from 1907 to 1916 actually 12,400 miners were killed."

Surely any change that can bring a reduction in accidents is acceptable to the men and the nation.

In the severe cross-examination of Mr. Mottram (one of the Divisional Inspectors of Mines), by Mr. Frank Hodges, it was made clear that over a period of fifteen years the fatal accidents in Durham were fewer than the average for the adjoining Yorkshire and Midland district. In Durham, as stated, the six-hour day is in operation; in the other districts the eight-hour day prevails.

There are other advantages accruing from the proposed reduction (e.g., making room for the million unemployed as shown by the Miners' Report), but those mentioned above shall suffice.

C.—Evidence in Support of the Demand for the Nationalisation of the Coal Industry.

(i) From the Standpoint of Production.

	Collieries working	
	at a profit	at a loss
Scottish Division number	57	41
Northern Division number	78	35
Yorks. and North Midlands number	99	22
Lancs., North Wales, and Ireland number	65	32
South Wales number	63	73
Midland and Southern number	92	28
Total for United Kingdom	454	231

This contrast between collieries working at a profit or at a loss is brought out best in the data supplied by Mr. Dickenson in the returns for Durham for the quarter ending September, 1918.

There was only 1 pit producing at a loss.

„ „ 42 pits „ „ „ profit.

And this profit varied from 6d. per ton to 6s. 6d. (and over) per ton. Out of these 42 pits there were eight pits making 6s. 6d. and over per ton in profit.

The Miners' Report very wisely suggests that instead of allowing the mad competitive system to continue in the hands of private ownership, where the price of coal must cover the cost of producing coal at the worst paying mine, it were better to get some scheme to nationalise the mines and thus devote any surplus in the profitable mines to the development of mines working at a loss.

And as these surplus profits would yield a sum far in excess of making good of collieries now working at a loss, it was pointed out, that the surplus thus nationalised could be devoted to lessen the risk of accidents to the workers. Mr. Tawney, in his cross-examination of Mr. Mottram, made it sufficiently clear that every precaution humanly possible is not taken to avoid accidents, because it would add to the cost of production and consequently to the reduction of profits. To say the least, the staff of inspectors of mines could be enormously increased if some of the profits from the coal industry could be nationalised.

(ii) From the Standpoint of Distribution.

The evidence of Mr. Frank Pick, of the Coal Control Department, was most illuminating on the waste accruing from private ownership of wagons and the undoubtedly great advantages of some method of pooling or control system. He said :

By complete pooling of wagons the number could be reduced by one-third.

The use of private wagons adds 3d. per ton to the cost of coal carried in them.

£3,250,000 had been saved by eliminating unnecessary transport under the control system.

Mr. Frank Tatlow, general manager of the Midland Railway, expressed the opinion that, if all coal wagons were put into common use, substantial economies would be effected in the haulage of empty wagons, and particularly in the risky work of shunting.

To wind up the case for nationalisation or collective ownership of mines, what better evidence do we need than the words of Sir Richard Redmayne, the Chief Inspector of Mines, when he said at the Commission :

I think it is generally accepted that the present system of individual ownership of collieries is extravagant and wasteful, whether viewed from the point of view of the coal-mining industry as a whole, or from the national point of view. The advantages that would result from collective production would be enhanced production, diminished cost of production, and prevention of waste !

Conclusion.

The miners in the coal industry have had a feeling for years that they were not having all that they were entitled to. There was a vague awareness that the coal industry had parasites who drew an income from the concern without putting any personal labour into the product.

This vague feeling has grown into an intellectual conviction (thanks to the efforts of studious and class-conscious members, who have had opportunities to study Marx and his masterly exposition of the Theory of Exploitation, which sums up his views on the relationship of Labour to Value and Surplus Value). To these Marxian students the price obtained for the coal is an attempt to express in £ s. d. the value of coal. In the splitting up of this aggregate price between the producers and the property owners it is contended by these "advanced" students of Economics that the wages and salaries only, represent the *paid* labour. The Rent, Royalty, Wayleaves and Profits are really amounts representing *unpaid* labour. In other words, wages and salaries are the only earned incomes, and the rest are really *unearned*, i.e., exploited from those that have earned their incomes.

The very structure of the mining industry, with its respective organised Labour and organised Capital, belies the orthodox (called also by Marx the vulgar) economists' plea of the harmony of interest between the workers and the coal owners, employers and employed. The various conciliation boards, consisting of representatives of the M.F.G.B. and representatives of the Coal Owners' Association, is evidence enough that there is a cleavage existing in the coal industry as run to-day by private property.

At bottom the coalfield but reflects the ceaseless struggle of the proletarian forces of wage-slavery with the property owning classes, characteristic of the stage of economic development known as Capitalism.

As this struggle of economic forces continues and increases in bitterness the workers come to feel that every "right" that property has acquired has been at the expense of some "wrong" done to the members of the working class.

The Coal Commission evidence and the reports have laid bare the facts regarding this conflict with the ultimate result, we hope, of not only "condemning the present system of ownership and working in the coal industry," but convincing the miners and other members of the working class that "some other system must be substituted for it."

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